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RUEHNH/AMCONSUL NAHA 7942  
RUEHFK/AMCONSUL FUKUOKA 5307  
RUEHOK/AMCONSUL OSAKA KOBE 8458  
RUEHNAG/AMCONSUL NAGOYA 5319  
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 03/27/06

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Son of patient contradicts surgeon's explanation about disconnecting life support

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Japan's economic recovery continues to gather momentum

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- (2) Bill regulating financial products is first step to protect consumers

###### Mainichi:

- (1) Government, ruling camp should learn from Tottori Prefecture's suspension of implementing human rights protection ordinance
- (2) Cuts in public servants would change Japan greatly

###### Yomiuri:

- (1) Integrated command to boost SDF's flexibility
- (2) Exports of literary works help foreigners understand Japan

###### Nihon Keizai:

- (1) One-Seg to promote integration of telecommunications and broadcasting systems

###### Sankei:

- (1) Urgent need of guidelines for disconnecting life support
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###### Tokyo Shimbun:

- (1) Sales of government's assets would clarify state government's nonperforming loans
- (2) Investigation into abductions: Don't forget to provide relief to the victims

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, March 26

NIHON KEIZAI (Page 2) (Full)  
March 27, 2006

08:03

Left Haneda Airport by Japan Coast Guard (JCG) jet plane.

09:28

Arrived at Hiroshima Airport by JCG's helicopter.

10:07

Met with Land, Infrastructure, Transport Minister Kitagawa, JCG Director General Ishikawa and JCG Academy President and LDP Policy Affairs Research Council Chairman Nakagawa at JCG Academy, Kure, Hiroshima Prefecture. Then reviewed the parade of students.

10:49

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Attended the graduation ceremony.

12:00

Inspected vessel operations. Planted a tree to commemorate the visit. Took a ceremonial photo with students. Inspected a dormitory.

12:35

Celebration lunch. Took photos with students.

13:56

Left the Academy by JCG helicopter.

14:32

Left Hiroshima Airport by JCG jet plane.

15:40

Arrived at Haneda Airport.

16:27

Arrived at the official residence.

4) Poll: Cabinet support rate rises to 48%

NIHON KEIZAI (Page 1) (Abridged)  
March 27, 2006

The approval rating for the Koizumi cabinet reached 48% in a public opinion survey conducted by the Nihon Keizai Shimbun on March 24-26, a rise of 3 percentage points from the last survey taken in February. The disapproval rating was down 3 points to 40%. In the survey, respondents were asked if they thought the leading opposition Democratic Party of Japan (DPJ or Minshuto) has handled well the issue of a fake email. In response, those who answered "no" accounted for 68%, with "yes" at only 17%. The DPJ's drop in its public support is a big blow to the party.

The cabinet support rate was on the rise after the House of Representatives was dissolved in August last year. However, it fell 14 points in this February's survey in the aftermath of the Livedoor scandal and the US beef embargo. The margin between approval and disapproval widened from 2 points in the last survey to 8 points in the latest survey. Broken down into political party supporters, the cabinet support rate was 81% among those in support of the ruling Liberal Democratic Party and 26% among those with no particular party affiliation.

In the breakdown of public support for political parties, the DPJ dropped 3 points to 19%, while the LDP leveled off at 44%. The gap between the two parties has increased to 25%.

The survey was taken by Nikkei Research Inc. over the telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among males and females, aged 20 and over,

across the nation. A total of 1,488 households with one or more voters were sampled, and answers were obtained from 846 persons (56.9%).

5) Poll: Abe marks 40% in post-Koizumi race, Fukuda at 14%

NIHON KEIZAI (Page 2) (Abridged)  
March 27, 2006

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Chief Cabinet Secretary Shinzo Abe, 51, topped all other post-Koizumi candidates at 40% in a recent Nihon Keizai Shimbun poll, maintaining pole position in the race with a big lead. His popularity rose 2 percentage points from the last survey taken in February, rebounding to the 40% mark. Former Chief Cabinet Secretary Yasuo Fukuda, 69, who doubled in the last survey, rose

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1 point to 14%. However, Fukuda could not close in on Abe. Foreign Minister Taro Aso, 65, and Finance Minister Sadakazu Tanigaki, 61, were at single-digit levels.

Abe has overwhelmed all others at around 40% since a survey conducted last November, shortly after coming to fill his present post. In the latest survey as well, Abe was evenly supported regardless of gender, age, and occupation. Among those in support of the ruling Liberal Democratic Party in particular, Abe ranked first at 53%, with Fukuda in second place at 13%. The lead widened further in the survey this time.

In the breakdown of reasons given for picking Abe, his personality and image overwhelmed all other reasons at 52%. Among other reasons, his diplomatic and security stance scored 22%, and his structural reform stance 13%. The public choice of Abe seems to be based on their image of him over their evaluation of his standpoints or policies.

Among other candidates in the LDP, Foreign Minister Aso stood at 4%, with Finance Minister Tanigaki and Internal Affairs and Communications Minister Heizo Takenaka, 55, respectively at 2%, and Taku Yamasaki, 69, at 1%, all leveling off from this February's survey.

6) Poll: 38% favor Japan-US defense cooperation

NIHON KEIZAI (Page 2) (Full)  
March 27, 2006

Japan and the United States are now about to enter into the final phase of intergovernmental coordination over the realignment of US forces in Japan. In the latest public opinion survey conducted by the Nihon Keizai Shimbun, respondents were asked what they thought Japan should do about its bilateral defense cooperation with the United States. In response to this question, public opinion was split, with 38% saying Japan should keep up its bilateral defense cooperation with the United States at the present level, 36% saying Japan should scale back on such defense cooperation, and only 11% insisting on the necessity of stepping up bilateral defense cooperation.

In the meantime, the Japanese and US governments are now facing rough going in their talks about their respective shares of the cost of moving US Marines from Okinawa to Guam. Asked about this cost sharing, only 7% said Japan should pay the bulk of the costs, with 38% saying Japan's share should be less than the United States' and 36% urging the United States to pay the bulk of the cost. The US government estimates the total cost of the relocation at 10 billion dollars and has asked the Japanese government to pay 75%. However, the general public is critical of imposing such a heavy burden on Japan.

Asked about when to withdraw Ground Self-Defense Force personnel currently deployed in the southern Iraqi city of Samawah to help

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with Iraq's reconstruction, 41% answered that the GSDF should pull out together with British and other foreign security troops, with 37% insisting on an immediate withdrawal, and 7% saying Japan should continue its troop deployment until the United States pull its troops out of Iraq. As seen from these figures, a majority hope to recall the GSDF at an early date.

7) Japan proposes paying 3 billion dollars of cost of relocating Marines from Okinawa to Guam, with 2.5 billion dollars to be financed by GOJ loans

ASAHI (Page 2) (Excerpts)  
March 25, 2006

Japan and the United States yesterday ended their two days of talks of foreign and defense officials at the senior working level on the realignment of US forces in Japan. Talks included the issue of Japan bearing part of the cost of relocating the US Marine Corps from Okinawa to Guam. According to informed sources in the Japanese government, Japan proposed that it would defray 3 billion dollars to finance the construction of housing for troops and their families, as well as other base facilities, while the US called on Japan to bear 7.5 billion dollars of the 10-billion-dollar cost. The talks ended without agreement. Both sides agreed to meet again in the US next week.

In a press conference and a meeting of the House of Representatives Foreign Affairs Committee held yesterday, Foreign Minister Aso revealed plans to finance the construction of housing by Japanese government loans. He said:

"About 17,000 troops and their family members will move (to Guam). It is necessary for Japan to provide a certain level of support. ... We will consider such means as offering loans."

According to the government sources, a Japanese representative explained a public private partnership (PPP) under which Japan would lend money through a government-affiliated financial institution for constructing and managing housing and the US, with rents as capital, would pay back with interest. Japan proposed to the US that it would provide the US with approximately 2.5 billion dollars under this formula as expenses for constructing houses for troops and their families.

8) Yamasaki: Japan can pay up to 50% of cost of relocating Marines to Guam

TOKYO SHIMBUN (Page 2) (Full)  
March 27, 2006

Appearing on a Fuji TV program yesterday, Taku Yamasaki, former vice president of the Liberal Democratic Party (LDP), revealed the dominant view in the LDP that Japan would be able to pay up to 50% of the cost of relocating US Marines from Okinawa to Guam, although the US has been calling on Japan to foot 75% of the 10 billion dollar bill. Yamasaki said:

"The US request would force us to bear an excessively heavy burden. Some LDP officials have said that the maximum Japan can pay is half the total cost."

Yamasaki commented on the transfer of 8,000 Marines from Okinawa

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to Guam:

"Since this plan is based on an agreement between Japan and the US in line with their determination to reduce the security burden on Okinawa, we would like to translate it into action without fail."

Regarding the cost-sharing issue, he said:

"There is discussion on whether to adopt a direct-payment system

or a loan system. I have conveyed to the US the trend of party and public opinion."

9) Minshuto head Maehara opposes Japan's paying large share of Marine-relocation cost

TOKYO SHIMBUN (Page 2) (Full)  
March 27, 2006

In reference to cost-sharing for relocating the US Marine Corps from Okinawa to Guam, Democratic Party of Japan (Minshuto) head Seiji Maehara said yesterday afternoon: "I am opposed to a plan that would force a huge financial burden on Japan." The opposition leader, though, added in a press conference in Kitakata City, Fukushima Prefecture: "We must not allow the US to come up with the comment that since Japan does not pay, we will drop the relocation plan, the government must remind the US of the importance of implementing the plan," stressing the need for the Japanese government to continue efforts to have the Marine-relocation plan realized without fail.

On Japan's cost burden, Maehara said:

"It is important to push ahead with the (relocation) plan smoothly in the process of working out a third way of financing, such as a loan arrangement. ... Some take the view that (Marines) will be moved out (of Okinawa) in accordance with Japan's suggestion, but such a view is unilateral. Unless we interpret that the relocation plan is also in line with changes in the US strategy, we would be forced to give in to the US."

10) Japan-US senior working-level talks on USFJ realignment carries over issue of sharing cost of relocating Marines to Guam

TOKYO (Page 2) (Full)  
March 25, 2006

The Japanese and US governments held senior working-level talks of foreign and security affairs officials March 24 in Tokyo on the realignment of US forces in Japan. Although discussions focused on the issue of sharing the cost of relocating US Marines on Okinawa to Guam, the gap in views between the two sides remained wide, and discussion was carried over to Washington where talks would resume next week.

The Japanese delegation offered to directly contribute \$3 billion (approximately 350 billion yen) of the estimated \$8 billion (approximately 944 billion yen) total cost of relocating the Marines. Japan also offered to pay for half of the US share of \$2.5 billion (approximately 300 billion yen) through loans from a Japanese government-related financial institution.

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In response, the US delegation stressed that Japan should bear 75% of an estimated total cost of \$10 billion dollars (1.180 trillion yen). Agreement was not reached.

11) Futenma relocation: Government proposes moving runway out to sea and changing its angle 10 degrees

NIHON KEIZAI (Page 2) (Excerpts)  
March 27, 2006

Defense Agency Director General Fukushima Nukaga held talks with mayor Yoshikazu Shimabukuro of Nago, Okinawa Prefecture, for about three hours yesterday at the agency to make arrangements for the planned relocation of the US Marine Corps' Futenma Air Station. In the talks, Nukaga made some proposals, including one to turn the angle of the runway to be constructed on the coastline of Camp Schwab about 10 degrees counter-clockwise. The defense chief also revealed the government's willingness to consider moving the plan less than 100 meters further out to sea. The government hopes that its compromise plans will help soften up the stance of local areas to reach a settlement before the end of this month.

Shimabukuro reiterated his request to remove houses in the Henoko, Toyohara, and Abu districts from the flight paths of US military aircraft. He also insisted on moving the runway over 400 meters further offshore. Following the Defense Agency's step toward making changes to the coastal plan, Shimabukuro will hold another round of talks with the defense chief March 29 based on talks with the Okinawa prefectural government.

The Defense Agency thinks changing the direction of the runway about 10 degrees and moving it less than 100 meters out to sea would help reduce noise levels in Henoko and other districts, which Shimabukuro fears. The Defense Agency also envisages that the expanded reclaimed land would bring economic benefits. The option, however, is certain to adversely affect the environment, including the habitat of dugongs. Shimabukuro's response will be a key.

Prior to his meeting with Shimabukuro, Nukaga held talks with Okinawa Gov. Keiichi Inamine yesterday morning at a hotel in Tokyo. Inamine said to Nukaga, "We appreciate to a certain extent the planned relocation of US Marines and return of some US bases." He also said regarding the coastal plan, "I hope the government will discuss it thoroughly with affected local areas based on past developments."

12) Futenma relocation: Nukaga and Shimabukuro fail to reach conclusion; Nago presents new flight paths

ASAHI (Page 1) (Excerpts)  
March 27, 2006

Defense Agency Director General Fukushima Nukaga held another round of talks with Nago Mayor Yoshikazu Shimabukuro yesterday at the agency to discuss the planned relocation of the US Marine Corps' Futenma Air Station, a focal point in the realignment of US forces in Japan. In response to the Defense Agency's proposal to change the direction of the planned runway, the Nago mayor presented new flight paths to avoid all districts in the city. The Defense Agency will study whether to accept Nago's request.

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Nukaga and Shimabukuro agreed to reach a conclusion swiftly and hold another round of talks later this week.

13) Futenma coastal plan: Final coordination on minor changes; Key to settlement lies in Nago mayor's effort to convince local areas

SANKEI (Page 2) (Excerpts)  
March 27, 2006

Talks continued between Defense Agency Director General Fukushima Nukaga and mayor Yoshikazu Shimabukuro of Nago, Okinawa Prefecture, yesterday on a plan to relocate the US Marine Corps' Futenma Air Station from Ginowan to the coastline of Camp Schwab in Nago in the prefecture. As a result, they reached an agreement to make final coordination on making minor changes to the coastal plan, such as changing the direction of the runway. But the situation remains fluid, as there are strong local calls for moving the coastal plan further to sea, which involves major revision of the plan.

Following March 25, Nukaga and Shimabukuro discussed the issue for over three hours yesterday. In making changes to the plan, Nukaga pointed out three points the government regards as indispensable: (1) the safety of neighboring residents based on the coastal plan; (2) environmental matters; and (3) the feasibility of the relocation plan.

Out of concern for destroying the marine habitat for dugongs, a protected species, and disruption of construction work by protests from environmental activists, the Defense Agency has attached importance to the environmental problem and the feasibility of the relocation plan. The basic plan presented by Nukaga reflected the government's intention not to accept Nago's

call for making major changes to the coastal plan to move it further out to sea.

Based on that policy line, Nukaga specifically proposed turning the angle of the planned runway about 10 degrees counter-clockwise. Local residents are opposed to the original plan that is designed to fly US military aircraft over some houses in the Toyohara and Henoko districts in Nago. As a result, the government has proposed changing the direction of the runway to remove those houses from the flight paths.

In response, Shimabukuro asked the government to remove two other districts northeast of the coastline of Camp Schwab, such as Abu, from the flight paths.

14) Yamasaki predicts settlement of Futenma talks before end of this month

SANKEI (Page 2) (Full)  
March 27, 2006

Speaking to the press last night in Naha, Former Liberal Democratic Party Vice President Taku Yamasaki indicated that talks on making changes to the plan to relocate Futenma Air Station would be settled soon, saying, "Talks are centered on technical matters, passing through the political phase. It is only a matter of time (before an agreement is reached). The issue will be settled before the end of this month, at the earliest."

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He also indicated that once an agreement was reached between the central government and Nago City, Okinawa Gov. Keiichi Inamine would also accept the plan in the end.

At the same time, Yamasaki suggested that it would be physically difficult for Japan and the US to produce their final report on the realignment of US forces in Japan before the end of this month.

15) Realignment of US forces in Japan: Government abandons efforts to reach agreement by end of month

ASAHI (Page 1) (Full)  
March 26, 2006

The government yesterday gave up on the idea of reaching a final agreement with the US government by the end of March, which was in effect made the deadline for the agreement, government sources revealed. Behind this move is Tokyo's judgment that given the little progress in coordination of views with the US over such issues as how to share the cost of relocating troops to Guam, Japan could be forced to make broad concessions if it insisted on bringing about an early settlement of the issues. The government initially intended to reach an agreement by the end of March at the Japan-US Security Consultative Committee of foreign and defense ministers, or 2+2, but now Japan has decided to aim to reach agreement in early April.

The government will hold senior working-level talks of foreign and defense officials in the United States on March 30-31 to discuss such items as how to share the Guam relocation costs. Referring to this, a government official concerned said: "The possibility has not been ruled out that an agreement will be reached at the upcoming senior-working-level talks, but it's not possible to hold a 2+2 meeting, which the Japanese government has viewed a forum for both sides to reach a final agreement."

This official also stated: "The US is well aware of Japan's desire to hold a 2+2 meeting. We aim to reach accord in early April." Another government official also stated: "Even at the upcoming senior-working-level talks, or even if we hold a 2+2 meeting following them, it will not be possible to reach agreement."

The focus of local coordination concerning the realignment of US forces in Japan is on what will happen to negotiations with Nago



City over the relocation of the US Futenma Air Station in Ginowan City, Okinawa Prefecture. In talks with the US, Japan is continuing coordination about how to share the Guam relocation cost.

16) Poll of legislators about SOFA: No reply from US lawmakers, with responses from only 30% of Japanese lawmakers

TOKYO SHIMBUN (Page 3) (Full)  
March 25, 2006

The Liaison Council of Major Governors on Negotiations, composed of 14 prefectures hosting US military bases and chaired by Governor of Kanagawa Shigefumi Matsuzawa, yesterday released the results of a survey of legislators conducted in both Japan and the United States about the Japan-US Status of Forces Agreement

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(SOFA). No response came from the US legislators, while among the Japanese legislators the response rate was only 30%.

The questionnaires were sent in early February to 80 legislators belonging to Japan's Lower House Committees on Foreign Affairs and Security and its Upper House Committee on Foreign Affairs and Defense, as well as 90 legislators belonging to the US Senate and House Armed Services Committees. Asking them to answer on an anonymous basis, the survey inquired about the extent of understanding of the SOFA and the need to revise the SOFA. The Liaison Council takes issue with the treatment of US servicemen suspected of crimes and the restraints on Japanese officials' access to US bases, as specified by SOFA. The Liaison Council is demanding a review of the SOFA be put in a final report on the realignment of US forces in Japan, planned to be released possibly by the end of the month.

Gov. Matsuzawa said: "US legislators presumably think it is desirable that their troops stationed abroad are protected, so they resist revision. They appear reluctant about even touching on a revision." Referring to Japanese lawmakers, Matsuzawa stated: "I'd like them to be more interested in it."

17) Prime Minister Koizumi attends Coast Guard Academy's graduation ceremony for first time

SANKEI (Page 5) (Full)  
March 27, 2006

Prime Minister Junichiro Koizumi yesterday delivered a speech at the graduation ceremony of the Japan Coast Guard Academy (in Kure City, Hiroshima Prefecture). Koizumi told the graduating cadets: He told the graduating cadets: "We must continue to stay on the alert to prevent infiltration by terrorists from the sea and to guard important facilities such as nuclear reactors and major ports." He stressed the importance of coming up with thorough measures to fight against terrorism.

Koizumi is the first prime minister to attend the JCGA's graduation ceremony. He also told the 41 cadets (including one foreign national): "In order to prevent and crack down on international crime, Japan needs to boost cooperation with other countries in various ways." Although he did not refer to the issue of gas exploration in the East China Sea, a government official commented that the prime minister's attendance was a "message" to show Japan's strong position.

18) Minshuto's Hatoyama urges Nagata to resign voluntarily from Diet

SANKEI (Page 5) (Full)  
March 27, 2006

Minshuto (Democratic Party of Japan) Secretary General Yukio Hatoyama revealed for the first time his intention to urge House of Representatives member Hisayasu Nagata to voluntarily give up his Diet seat to take responsibility for creating the e-mail uproar. He stated in a speech delivered at the Hiroshima

Prefectural chapter's convention yesterday afternoon:

"I want him to feel his responsibility for causing a political uproar and giving us great concern about the party's survival.

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Apart from the party's punishment, I intend to press him to take responsibility."

Hatoyama also said, "I think you, too, feel the party's punishment was not enough," after pointing out, "I can't tell him to give up his Diet seat just because he asked questions in the Diet based on false information." Minshuto suspended Nagata's party membership for six months.

Hatoyama thought that the main opposition would not be able to obtain public understanding without Nagata taking responsibility for the email fiasco.

19) Fiscal 2006 budget bill to be enacted today

TOKYO SHIMBUN (Page 2) (Full)  
March 27, 2006

The fiscal 2006 budget bill will be passed during an Upper House plenary session this evening by majority approval by the Liberal Democratic Party (LDP) and the New Komeito. Following the passage of the bill, the focus of the remaining half of the Diet session will shift to deliberations on key bills, such as administrative reform legislation.

Prior to the plenary session, the Upper House Budget Committee will hold intensive deliberations on safety in the morning, attended by Prime Minister Koizumi and relevant cabinet ministers. The arrangement is that the budget bill will be adopted at the Budget Committee meeting after general budget deliberations. It will then be promptly presented to the plenary session.

The explanation of a set of bills on reform of medical services designed to constrain swelling costs and a question and answer session on them will likely take place possibly before the end of the week, followed by deliberations. A battle between the ruling and opposition camps over a schedule for deliberations on those bills, as well as the administration reform promotion bill, debate on which has already started, will move into high gear. Regarding the issue of punishing Lower House member Hisayasu Nagata, who has had his membership in Minshuto (Democratic Party of Japan = Minshuto) suspended, the Lower House Committee on Discipline will aim to adopt a resolution on March 29 to summon Takashi Nishioka, the provider of the email in question as a witness on April 4. This will bring to an end the uproar over the fake email.

20) Issuance of new stocks, corporate bonds likely to hit seven-year high of 11 trillion yen in fiscal 2005; Brisk capital spending, M&As

NIHON KEIZAI (Top Play) (Excerpts)  
March 26, 2006

Japanese companies' equity finance and corporate bond issuance are on the rise. The amount of capital procured through domestic and overseas capital markets in fiscal 2005 will likely reach 11.1 trillion yen in fiscal 2005, up 10% from the previous year. This is the highest amount since the 13 trillion yen registered in fiscal 1998. As business performance improved, capital demand, such as investment in plant and equipment and mergers and

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acquisitions (M&A), has expanded. The rising stock prices and the strong anticipation of higher interest rates are prompting companies to procure more capital.

Companies' procurement of capital has been continuing on a recovery path after bottoming out in fiscal 2002 at 8.8 trillion yen and is now expected to top 10 trillion yen for the second-consecutive year in fiscal 2005. The increase has been noticeable in the domestic market in the current fiscal year, reaching 9.6 trillion yen, up 21%. The amount is close to the level (9.8 trillion yen) of fiscal 2000, during the IT bubble. The mainspring of the uptrend is a 32% increase in domestic equity finance to 2.7 trillion yen, as can be seen in the procurement of approximately 200 billion yen by Mitsui & Co. through public stock offerings this February for the first time.

The issuance of straight corporate bonds on the domestic market is also expected to reach 6.9 trillion yen, up 17%. Sony issued straight bonds worth 120 billion yen last September for the first time in about four years and another 100 billion yen worth this February. Some 29 companies issued straight bonds, including Fuji Television Network and Towa Real Estate Development. Amid growing anticipation that the Bank of Japan will end its zero interest rate policy, an increasing number of companies are now planning to issue corporate bonds.

21) Japan-China financial dialogue: Agreement reached to hold dialogue once a year; Japan urges China to expand range of yuan fluctuation

NIHON KEIZAI (Top Play) (Excerpts)  
March 26, 2006

Finance Minister Sadakazu Tanigaki and Chinese Finance Minister Jin Renqing on March 25 held the first bilateral financial dialogue to discuss economic and financial issues. They agreed to hold a financial dialogue once a year, based on the perception that the interdependency of the Japanese and Chinese economies was deepening. The dialogue will be held in Tokyo next year. During the meeting, the Japanese side urged China to expand the range in which the yuan is allowed to fluctuate, but the Chinese side simply explained the present state of the reform of its exchange system.

Jin criticized Prime Minister Junichiro Koizumi's visits to Yasukuni Shrine. He also noted that it was regrettable that Tokyo decided to put off a cabinet decision on yen loans to China for fiscal 2005 until after April. Commenting on yen loans to China, Tanigaki said, "We will consult on the matter under the initiative of the Foreign Ministry while taking the current state of bilateral relations into account." But he stopped short of referring to when a cabinet decision on the matter is made.

22) Chinese premier to avoid reference to Yasukuni, Class-A war criminals, emphasize history of friendship instead, according to draft of his speech aimed at Japan

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Nobuyoshi Sakajiri, Beijing

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An outline of an important speech Chinese President Hu Jintao will deliver in a meeting on March 31 with Japanese representatives from seven Japan-China friendship organizations was revealed. According to it, Hu intends to avoid direct mention of Prime Minister Koizumi's continued visits to Yasukuni Shrine and Class-A war criminals and emphasize instead why China attaches importance to the history issue. This stance comes apparently from China's reflection on the past circumstances, namely that its continued scathing criticism of Koizumi's shrine visits has antagonized the Japanese public. Calling the planned speech a message to the Japanese people, China will seek understanding at various levels.

This was revealed by more than one source familiar with Japan-China relations. The draft speech prepared by Chinese government officials has already been handed to Hu to receive his final

decision. Depending on Hu's own political judgment or the immediate situation before the meeting, the draft might be given some modifications.

The draft avoids making a direct reference to visits to Yasukuni Shrine, which has enshrined Class-A war criminals.

SCHIEFFER